

Exhibit K

Expert Disclosure – Professor Peter D. Easton

(August 16, 2023)

Peter D. Easton is the Notre Dame Alumni Professor of Accountancy and Director of the Center for Accounting Research and Education at the Mendoza College of Business, the University of Notre Dame. He will be called to testify regarding financial analysis, accounting, and financial tracing, as further described below.

A. Qualifications and Prior Testimony

Professor Easton received bachelor's degrees in Agricultural Science (majoring in Agricultural Economics) in 1973 and Economics in 1978 from the University of Adelaide in Adelaide, Australia. He completed a Diploma of Technical Teaching at the University of South Australia in Adelaide, Australia, in 1978, and a Diploma in Financial Management at the University of New England in Armidale, Australia, in 1980. He graduated with a Ph.D. in Business Administration (majoring in Accounting and Finance) from the University of California at Berkeley in 1984.

Since 2003, Professor Easton has been the Notre Dame Alumni Professor of Accountancy and Director of the Center for Accounting Research and Education at the Mendoza College of Business, the University of Notre Dame. Prior to that appointment, he spent eight years as a chaired professor of accounting at the Ohio State University and, prior to that, five years as a chaired professor of accounting at Macquarie University in Australia. He has also served as an accounting professor on the faculties at the University of Chicago Booth School of Business, the University of Melbourne, the Graduate School of Business at Seoul National University, the Department of Accounting at the National University of Singapore, the Australian Graduate School of Management, Hong Kong Polytechnic University, the China Europe International Business School and the Limperg Institute in The Netherlands.

Over the past 40 years, Professor Easton has published numerous articles in peer-reviewed academic accounting journals and is the author of five textbooks on accounting and valuation. He is the principal author on two widely adopted textbooks: *Financial Accounting for MBAs*, which is in its 8th edition and adopted by 665 universities and *Financial Statement Analysis and Valuation*, now in its 6th edition and adopted by 424 universities. In addition to publishing, he has served as Associate Editor for the four, leading peer-reviewed academic accounting journals in the United States, as well as the leading peer-reviewed academic accounting journals in Australia, Canada, and Europe. He served as Editor of the *Review of Accounting Studies* from 2003 to September 2021 when he became Editor-in-Chief of a new peer-reviewed journal: *Accountability in a Sustainable World Quarterly*. A list of all publications authored by Professor Easton is attached as Appendix A.

Professor Easton has previously testified in depositions, at trial, and at arbitrations. A list of cases in the last four years in which he has testified as an expert is attached as Appendix B.

Professor Easton is affiliated with the consulting firm The Brattle Group. The Brattle Group bills for Professor Easton's time at a rate of \$1,175 per hour, and he receives the full amount billed for his time.

B. Anticipated Opinions

Outlined below are the opinions that Professor Easton is expected to offer as well as the bases and reasons for those opinions:

1. FTX.com received customer deposits principally in two ways: (i) in the form of deposits of fiat that were processed through bank accounts in the names of Alameda Research, North Dimension, FTX Trading, and FTX Digital Markets; and (ii) in the form of deposits of cryptocurrency that were processed through cryptocurrency wallets owned by FTX. FTX received billions of dollars in customer fiat and cryptocurrency deposits. When fiat deposits were made by customers, they were recorded as a negative entry in FTX's transaction database in the account fiat@ftx.com and were recorded as a positive credit in the customer's accounts. When a customer withdrew funds in the form of fiat, FTX's accounting database was designed to apply a credit (that is, a negative adjustment) to the fiat@ftx.com account, and a debit (that is, a positive adjustment) was made to the customer's FTX account. The negative balance in the fiat@ftx.com account was treated as a liability of Alameda Research because Alameda Research was supposed to have an equal amount of fiat currency held in its accounts. When cryptocurrency deposits were made by customers, the cryptocurrency was received into deposit addresses controlled by FTX, stored in hot and cold storage wallets, and credits were made to customers' FTX accounts. Professor Easton's testimony concerning the manner in which customer deposits and withdrawals were processed will be based on explanatory documents provided on FTX's website, documents shared with investors and auditors, and from a review of bank and FTX database records.

2. Customers' funds deposited in the form of fiat were not held in segregated bank accounts for the benefit of those customers. Instead, funds received into accounts in the names of FTX, Alameda Research, and North Dimension were commingled with other funds belonging to or in the possession of Alameda Research. As described below, customer funds deposited into those bank accounts were used by Alameda Research for purposes other than processing customer transactions. Professor Easton's testimony concerning the commingling and use of customer funds will be based on review of bank account records and the general ledger files of Alameda Research entities. The testimony will also be based on the review of FTX database records, which were used to determine whether deposits or withdrawals into or from accounts were made by customers.

3. Because of the use and spending of customer deposits in bank accounts that were accessed by Alameda Research, the amount of customer fiat deposits held in bank accounts was substantially smaller than Alameda Research's fiat liability reflected by the balance of the fiat@ftx.com account. The negative fiat balance reflected by fiat@ftx.com, as well as the discrepancy between the fiat balance and the amount of funds actually held by Alameda Research grew over time. Professor Easton's testimony concerning fiat deposit balances will be based upon historical balance data for the fiat@ftx.com account derived from the FTX database, as well as from bank records for accounts in the names of Alameda Research, North Dimension, and FTX.

4. In or around August 2022, a portion of the fiat liability reflected in the balance of fiat@ftx.com was transferred into a subaccount of the info@alameda-research.com account. The username on the subaccount was info@alameda-research.com/ftx_fiat_old. The subaccount was subsequently transferred from the info@alameda-research.com account to an account with the username seoyuncharles88@gmail.com. The balance held in that subaccount was, in aggregate, approximately negative \$8 billion. From that point forward, the negative balance in the ftx_fiat_old subaccount was no longer included in balance calculations for info@alameda-research.com. Professor Easton's testimony concerning the ftx_fiat_old liability will be based on records from FTX's transaction database.

5. Alameda Research accrued a large negative balance on FTX.com by withdrawing billions of dollars from the exchange. Alameda Research accrued a multi-billion-dollar negative balance in its primary account info@alameda-research.com and subaccount info@alameda-research.com/b_1_part_1. Notwithstanding the substantial negative balance in Alameda Research's subaccounts, the accounts were not liquidated. The substantial negative balance was accrued in or about May to July 2022 principally through Alameda Research's repayment of loans to third-party cryptocurrency lenders. Professor Easton's testimony concerning Alameda Research's negative balance on FTX.com and its withdrawals from FTX.com is based on records from FTX's transaction database, from records produced by cryptocurrency lenders, and from publicly available blockchain records.

6. Alameda Research's large negative balance on FTX.com was also attributable to borrowing from other customers on FTX.com through FTX's spot margin borrowing program. Alameda Research borrowed a significant share of the funds being lent to FTX by other FTX customers. Alameda Research's total negative balance on FTX was not solely attributable to borrowing through the spot margin borrowing program. Alameda Research was able to borrow large amounts of funds through the spot margin borrowing program through the use of FTT as collateral. In particular, in or around October 2021, Alameda Research collateralized its borrowing account in the borrow lend program with a ledger entry for collateral of 35 billion FTT, which exceeded the total amount of FTT in existence. Professor Easton's testimony concerning the balances in the borrowing program and Alameda Research's borrowing on FTX.com is based on records from FTX's transaction database.

7. Alameda Research did significant amounts of borrowing from third-party cryptocurrency lenders, including from Genesis, BlockFi, BitGo, LayerZero, Ledn, Nexo, Celsius, Voyager, and others. Alameda Research's total borrowing increased from 2019 to 2022, and the increase correlated with an increase in the use of FTT as loan collateral. The loans were largely open-term loans collateralized by tokens such as FTT, Solana, and Serum. Between May and July 2022, after the lenders requested repayment of loans, Alameda was required to and did repay over approximately \$4 billion in third party loans. The majority of the funds used to repay lenders came from FTX customer funds. Not all loans were recalled by lenders in the summer of 2022, and some lenders extended new loans to Alameda Research from June 2022 onward. At the time of FTX's collapse, Alameda Research had over \$1 billion in outstanding third party loans. Professor Easton's testimony concerning third party lenders is based on records from FTX's database, bank records for Alameda Research bank accounts, records provided by cryptocurrency lenders, and publicly available blockchain records.

8. Alameda Research's spending—including on investments, loans to insiders, donations, expenses, and related party transactions—exceeded the amount of funds it received from non-customer sources as well as net income, and therefore the spending was only possible through use of customer funds. One of the non-customer sources was funds from FTX investors that were received by or transferred to Alameda Research. Alameda Research used FTX customer funds to pay for a buyout of FTX shares owned by Binance, real estate in The Bahamas, political donations, venture investments in Genesis Digital Assets, Skybridge Capital, Dave Inc., and K5 Global Holdings, to cover losses sustained on FTX associated with MobileCoin, the purchase of Robinhood stock, transfers to Modulo Capital, the acquisition of LedgerX, transfers to Guarding Against Pandemics, Inc. and the FTX Foundation, and payments for celebrity sponsorships. In certain instances, the transfers of customer funds were recorded as loans from Alameda Research to Samuel Bankman-Fried, Nishad Singh, Gary Wang, and Ryan Salame, and then as investments or payments by one or more of those individuals. Professor Easton's testimony concerning the use of FTX customer and investor funds is based on records from FTX's database, bank records for Alameda Research bank accounts, Alameda Research's general ledgers, and loan documents produced by the FTX Debtors.

9. As of approximately November 2022, Alameda Research's combined balance on FTX.com, including in all info@alameda-research.com accounts and the ftx_fiat_old balance, was approximately in excess of negative \$10 billion.

C. Approval and Signature

I hereby approve the disclosure of my qualifications, anticipated opinions, and bases for such opinions, as set forth above.



Professor Peter D. Easton

Appendix A: List of Publications

PUBLISHED BOOKS

Valuation Using Financial Statements: (with Phil Drake and Greg Sommers). Cambridge Business Publishers LLC, Chicago. First Edition, 2019, Second Edition 2021.

Financial Statement Analysis and Valuation, (with Mary Lea McAnally and Greg Sommers). Cambridge Business Publishers LLC, Chicago. First Edition, 2008, Second Edition, 2010, Third Edition, 2013, Fourth Edition, 2015, Fifth Edition, 2018, Sixth Edition, 2021.

Financial Accounting for MBAs, (with John Wild, Robert Halsey, and Mary Lea McAnally). Cambridge Business Publishers LLC, Chicago. First Edition, 2003, Second Edition, 2005, Third Edition 2008, Fourth Edition, 2010, Fifth Edition 2013, Sixth Edition, 2015, Seventh Edition, 2018, Eighth Edition, 2021.

Financial and Management Accounting for MBAs, (with Robert Halsey, Mary Lea McAnally, Al Hartgraves and Wayne Morse). Cambridge Business Publishers LLC, Chicago. First Edition, 2008, Second Edition, 2010, Third Edition, 2013, Fourth Edition, 2015, Fifth Edition 2018, Sixth Edition, 2021.

Financial Accounting, (with Thomas Dyckman and Glenn Pfeiffer). Cambridge Business Publishers LLC, Chicago. 2007.

RESEARCH PAPERS

“Monitoring in Private Equity” (with Stephannie Larocque, Paul Mason and Steve Utke), The Palgrave Encyclopedia of Private Equity, 2023.

“Private Equity Fund Reporting Quality and External Monitors, Third-party Service Providers, and Fund Attributes” (with Stephannie Larocque, Paul Mason and Steve Utke), CARE working paper, 2023.

“Attrition Bias in CRSP/Compustat Data” (with Martin Kapons, Peter Kelly and Andreas Neuheir), CARE working paper, 2022.

“Forecasting Earnings Using k Nearest Neighbors” (with Martin Kapons, Steven Monahan, Harm Schutt and Eric Weisbrod, CARE working paper, 2022.

“Who Pays Attention to SEC Form 8-K?” (with Azi Ben-Rephael, Zhi Da, and Ryan D. Israelsen), *The Accounting Review*, 95, 5: 59-88, 2022.

“Private Equity Valuation Before and After ASC 820” (with Stephannie Larocque and Jennifer Sustersic Stevens), *Journal of Investment Management*, 19, 4: 2021.

- “The Increasing Importance of and Alignment between Compensation-Contracting and Value-Relevance Roles of Revenues” (with Hanni Liu, Anup Srivastava and Jennifer Yin), CARE working paper, 2020.
- “Selecting an Earnings Forecasting Model” (with Martin Kapons, Steven Monahan, Harm Schutt and Eric Weisbrod, CARE working paper, 2019.
- “Insights from an Enterprise Operations Perspective on Accounting Measurement and Valuation” (with Peter Vassallo and Eric Weisbrod), CARE working paper, 2019.
- “Changes in Financial Accounting for Lease Transactions will not affect Equity Valuation” (with Greg Sommers), *CPA Journal*, June 2018.
- “The Market Reaction to Bank Regulatory Reports” (with Brad Badertscher and Jeff Burks), *Review of Accounting Studies*, 23, 2: 686-731, 2018.
- “Discussion of the Effect of Tax Haven Utilization on the Implied Cost of Equity Capital: Evidence from U.S. Multinational Firms” *Journal of International Accounting Research*, 17, 2: 71-73, 2018.
- “Two Different Ways of Treating Corporate Cash in FCF Valuations—and the Importance of Getting the Cost of Capital Right” *Journal of Applied Corporate Finance*, 29, 3: 71-77, 2017.
- “Mixing Fair-Value and Historical-Cost Accounting: Measurement of Interest Income and Holding Gains/Losses on Available-for-Sale Debt Securities” (with Xiao-Jun Zhang), *Review of Accounting Studies*, 22, 4: 1732-1760, 2017.
- “Estimating the Cost of Capital using Stock Prices and Near-term Earnings Forecasts” *Journal of Applied Corporate Finance*, 28, 3: 87-94. Reprinted in *Management Accounting eJournal*, 8, 52, 2016.
- “Financial Reporting: An Enterprise Operations Perspective” *Journal of Financial Reporting*, 1, 1: 143-152, 2016.
- “Review of Recent Research on Improving Earnings Forecasts and Evaluating Accounting-based Estimates of the Expected Rate of Return on Equity Capital” (with Steve Monahan), special issue of *Abacus* on Financial Statement Analysis and Valuation, 52,1: 35-58, 2016.
- “The Expected Rate of Return on Equity Capital Implied by Analysts’ Forecasts of Earnings and Target Prices” (with Zhi Da and Keejae Hong), CARE working paper, 2016.
- “Conservative Accounting and the Realization of Holding Gains and Losses on Available-for-sale Securities” (with Mingyue Dong and Xiao-Jun Zhang), CARE working paper, 2015.

- “The Market Pricing of Other-than-Temporary-Impairments,” (with Brad Badertscher and Jeffrey Burks), *The Accounting Review*, 89, 3: 811-838, 2014.
- “Dissecting Earnings Recognition Timeliness,” (with Ryan Ball), *Journal of Accounting Research*: 2013: 1099-1132.
- “Selecting an Accounting-based Valuation Model,” (with Woo-Jin Chang, Wayne Landsman and Steve Monahan), CARE working paper, 2013.
- “A Convenient Scapegoat: Fair Value Accounting by Commercial Banks during the Financial Crisis,” (with Brad Badertscher and Jeffrey Burks), *The Accounting Review*, 2012: 59-90. Financial Accounting and Reporting Section American Accounting Association Best Paper Award for 2013.
- “Pre-earnings Announcement Drift,” (with Pengie Gao and Pengqin Gao), CARE Working paper, 2011.
- “What Drives Stock Price Movement? Short-term and Long-term Cash Flows and Implied Expected Rates of Return,” (with Zhi Da and Keejae Hong), CARE Working paper, 2011.
- “Another Look at Enterprise and Equity Valuations Using Multiples,” (with Mingcherng Deng and Julian Yeo), CARE Working paper, 2010.
- “Earnings Management? Erroneous Inference Based on Earnings Frequency Distributions,” (with Cindy Durtschi), *Journal of Accounting Research*: 2009: 1249-1282.
- “Initial Evidence on the Role of Earnings in the Bond Market,” (with Steven Monahan and Florin Vasvari), *Journal of Accounting Research*: 2009: 721-766.
- “Discussion of Accounting Data and Value: the Basic Results,” *Contemporary Accounting Research*: 2009: 261-272.
- “Price-convexity, Debt-related Agency Costs, and Timely Loss Recognition,” (with Valeri Nikolaev and Laurence van Lent), CARE Working paper, 2009.
- “Are Capital Expenditures, R&D, Advertisements and Acquisitions Positive NPV?” (with Peter Vassallo), CARE Working paper, 2009.
- “Estimating the Cost of Capital Implied by Market Prices and Accounting Data,” *Foundations and Trends in Accounting*, 2007: 241-364 (published in 2009).
- “Top Level Executive Characteristics and Earnings Attributes,” (with Yuping Jia and Laurence van Lent), Working paper, University of Notre Dame, 2008.
- “Effect of Analysts’ Optimism on Estimates of the Expected Rate of Return Implied by Earnings Forecasts,” (with Greg Sommers), *Journal of Accounting Research*, 2007: 983-1016.

- “Use of Forecasts of Earnings to Estimate and Compare Cost of Capital Across Regimes,” *Journal of Business, Finance, and Accounting*, 2006: 374-394.
- “An Evaluation of Accounting Based Measures of Expected Returns,” (with Steve Monahan), *The Accounting Review*, 2005: 501-538.
- “Accounting-based Estimates of the Expected Rate of Return on Equity Capital.” Blackwell Encyclopedia of Accounting, 2nd edition, 2005: 11-15.
- “Earnings Management? The Shapes of the Frequency Distributions of Earnings Metrics are not Evidence Ipso Facto,” (with Cindy Durtschi), *Journal of Accounting Research*, 2005: 557-592.
- “Accounting for Asset Retirement Obligations,” (with Mimi Alciatore and Carol Dee), Working paper, The University of Notre Dame, 2005.
- “Accounting Conservatism and the Relation between Returns and Accounting Data,” (with Jinhan Pae), *Review of Accounting Studies*, 2004: 495-522.
- “Changes in Environmental Regulation and Reporting: The Case of the Petroleum Industry from 1989 to 1998,” (with Mimi Alciatore and Carol Dee), *Journal of Accounting and Public Policy*, 2004: 295-304.
- “Discussion of Earnings Surprises and the Cost of Equity Capital,” *Journal of Accounting, Auditing, and Finance*, 2004: 515-521.
- “PE ratios, PEG ratios, and Estimating the Implied Expected Rate of Return on Equity Capital,” *The Accounting Review*, 2004: 73-96.
- “Discussion of Forward versus Trailing Earnings in Equity Valuation,” *Review of Accounting Studies*, 2004: 331-336.
- “Discussion of the Predictive Value of Expenses Excluded from ‘Pro Forma’ Earnings,” *Review of Accounting Studies*, 2003: 175-183.
- “Scale and the Scale Effect in Market-Based Accounting Research,” (with Greg Sommers), *Journal of Business, Finance, and Accounting*, 2002: 25-56.
- “Using Forecasts of Earnings to Simultaneously Estimate Growth and the Rate of Return on Equity Investment,” (with Pervin Shroff, Gary Taylor and Theodore Sougiannis), *Journal of Accounting Research*, 2002: 657-676.
- “Discussion of Factors Associated with Differential Market Reactions to NYSE Versus NASDAQ Firm’s Earnings Announcements,” *Journal of Business, Finance, and Accounting*, 2001: 1109-1113.

- “Economic Value Added and Accounting Value Added,” *Review of Accounting Studies*, 2001: 267-274.
- “Permanent and Transitory Earnings, Accounting Recognition Lag and the Earnings Coefficient,” (with Pervin Shroff and Gary Taylor), *Review of Accounting Studies*, 2000: 281-300.
- “Accounting for the Impairment of Long-Lived Assets: Evidence from the Petroleum Industry,” (with Mimi Alciatore and Nasser Spear), *Journal of Accounting and Economics*, 2000: 151-172.
- “Forecasts of Profitability and the Pricing of Shares: Is the Dow Jones Industrial Average Overpriced?” *Maandblad voor Accountancy en Bedrijfseconomie*, 2000: 49-54.
- “Security Returns and the Value-Relevance of Accounting Data,” *Accounting Horizons*, 2000: 399-412.
- “Discussion of Revalued Financial, Tangible, and Intangible Assets: Association with Share Prices and Non Market-Based Value Estimates,” *Journal of Accounting Research*, 1998: 235-247.
- “Discussion of Valuation of Permanent, Transitory and Price-Irrelevant Components of Reported Earnings,” *Journal of Accounting, Auditing and Finance*, 1998: 337-349.
- “Asset Write Downs: A Decade of Research,” (with Mimi Alciatore, Carol Callaway Dee and Nasser Spear), *Journal of Accounting Literature*, 1998: 1-39.
- “The Relevance of Asset Revaluations over an Economic Cycle,” (with Peter Eddey), *Australian Accounting Review*, 1997: 22-30.
- “Use of Comparisons of Patterns of Stock Return and Accounting Data in Understanding Apparently Anomalous Returns to Accounting-based Trading Strategies,” *Contemporary Accounting Research*, 1997: 137-152.
- “A Comparison of Cash Flows and Earnings in the Oil and Gas Industry,” (with Mimi Alciatore and Nasser Spear), Working paper, 1997.
- “The Argument for Earnings: How Earnings Take Their Place in Picking Stocks,” *JASSA*, 1996: 22-26.
- “The Relation between Security Returns and Accounting Earnings,” (with Garry Hobbes), Working paper, 1995.
- “The Prediction of Stock Returns Using Analysts' Consensus Forecasts of Earnings,” (with Egon Kalotay and Samantha Sin), Working paper, 1994.

- "An Investigation of Revaluations of Tangible Long-lived Assets," (with Peter Eddey and Trevor Harris), *Journal of Accounting Research*, 1993: 1-38.
- "SEC Form 10K/10Q Reports and Annual Reports to Shareholders: Reporting Lags and Squared Market Model Prediction Errors," (with Mark Zmijewski), *Journal of Accounting Research*, 1993: 113-129.
- "Accounting Earnings Can Explain Most of Security Returns: the Case of Long Event Windows," (with Trevor Harris and James Ohlson), *Journal of Accounting and Economics*, 1992: 119-142.
- "Empirical Evidence on the Relevance of Earnings and Book Value of Owners' Equity in Security Valuation" (with Trevor Harris), Working paper, Macquarie University, 1991.
- "The Stock Market's Perception of Accounting Information," *Australian Accounting Review*, 1991: 20-28.
- "Earnings as an Explanatory Variable for Returns," (with Trevor Harris), *Journal of Accounting Research*, 1991: 19-36.
- "On the Estimation of Earnings Response Coefficients", (with Mark Zmijewski), Working Paper, University of Chicago, 1989, presented at the American Finance Association meetings, New York, December 1988 and at the American Accounting Association meetings, Honolulu, August 1989.
- "Cross-sectional Differences in the Market Response to the Announcement of Accounting Earnings," (with Mark Zmijewski), *Journal of Accounting and Economics*, 1989: 117-141.
- "Joint Estimation of Several Random Coefficient Models," presented at the American Accounting Association meetings, Cincinnati, August 1987.
- "Accounting Earnings and Security Valuation: Empirical Evidence of the Fundamental Links", *Journal of Accounting Research*, 1985: 54-77.

Appendix B: Prior Expert Testimony

Zonia Holdings Pty Ltd. v. Commonwealth Bank of Australia Ltd., No. VID1085/2017 (Federal Court of Australia): Testified at trial as expert on behalf of the applicant.

Schultz v. Sinav Ltd., No. 2014-L-15 (Ill. Cir. Ct.): Testified at trial as expert on behalf of the defendant.

Securities and Exchange Commission v. Ripple Labs Inc., No. 20 Civ. 10832 (S.D.N.Y.):
Deposed as expert on behalf of the defendant.

Drivetrain, LLC v. Hall, No. 2019-650 (Del. Ch. Ct.): Deposed as expert on behalf of the defendant.

Zakinov v. Ripple Labs, Inc., No. 18 Civ. 6753 (N.D. Cal.): Expert report filed on behalf of the defendant.

Epic Games, Inc. v. Google LLC, No. NSD190/2021 (Federal Court of Australia): Expert report filed on behalf of the defendant.

Philipsen and Seymour v. American Medical Systems, LLC, No. NSD35/2018 (Federal Court of Australia): Affidavit filed for the court.